

The Law Offices of Avrum J. Rosen, PLLC  
Proposed Attorneys for the Debtor  
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Avrum J. Rosen  
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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

RHODES ASSOCIATES EXECUTIVE  
SEARCH INC.,

Chapter 11  
Case No.: 10-

Debtor.

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**AFFIDAVIT PURSUANT TO  
LOCAL RULE 1007**

STATE OF NEW YORK     )  
                                  )ss.:  
COUNTY OF SUFFOLK    )

STEVEN LITTMAN, being duly sworn deposes and states as follows:

1. I am the president of RHODES ASSOCIATES EXECUTIVE SEARCH, INC.,  
the  
debtor (the “Debtor”) in this chapter 11 case, and as such I have personal knowledge of the  
statements contained herein.
2. The Debtor is a New York Corporation, located at 555 Fifth Avenue, 6<sup>th</sup> Floor,  
New York, New York, engaged in executive recruitment and placement.
3. The Debtor’s financial difficulties arose from a 75% decline in annual revenue  
between 2008 and 2009 together with high fixed operating expenses. As a result  
the Debtor was faced with making substantial payments to the taxing authorities for unpaid pre-  
petition tax liabilities. In addition, the Debtor has been attempting to renegotiate its very  
expensive lease for non-residential real property. Lastly, the Debtor has been involved with two

pending litigations that have been causing the Debtor to spend significant sums to its litigation counsel.

4. This case was originally commenced under Chapter 11 of Title 11 of the United States Bankruptcy Code and no Trustee has been appointed. There has been no pre-petition creditors' committee. Annexed hereto as Exhibit "A" is a list of the 20 largest unsecured claims excluding insiders, including the name, address and the amount of the claim, and an indication of whether such claims are contingent, unliquidated, disputed or partially secured. Annexed hereto as Exhibit "B" is a list of the secured creditors.

5. The Debtor's assets consist of its personal property holdings with an estimated value of approximately \$1,120,658.06. The Debtor's total liabilities at this point are approximately \$3,568,498.74.

6. At the present time, there is no property in the possession of any custodian, public officer, mortgagee, pledgee, assignee of rents, or secured creditor, or agents of any such entity.

7. The Debtor's substantial assets are located at 555 Fifth Avenue, New York, New York 10017. Currently, its books and records are located at the same location. The Debtor does not have any assets outside the territorial limits of the United States.

8. Steven Littman is the President of the Debtor and has been with the Debtor since its inception in 2002.

9. The estimated amount of the weekly payroll to employees is approximately inclusive of taxes is \$115,000.00.

10. The sum of approximately \$20,000.00 is to be paid for services for the 30 day

period following the Chapter 11 petition to officers and directors.<sup>1</sup>

11. It is estimated that the expenses for the 30 day period following the bankruptcy petition will be approximately \$187,200.00 and that receipts will be approximately \$222,500.00.

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Steven Littman  
President

Sworn to before me on this  
day of June, 2010

S/Fred S. Kantrow  
Fred S. Kantrow  
Notary Public State of New York  
Qualified in Suffolk County  
No. 02KA6108402  
Comm. Exp. 4/19/2012

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<sup>1</sup> The Debtor notes that its principal has not been taking a salary. However, he reserves the right to do so on a post-petition basis. The amount indicated would allow for the payment going forward.